

Form 603

Corporations Act 2001
Section 671B

Notice of initial substantial holder

To: Company Name/Scheme **Splitfire Resources Limited**
ACN/ARSN **40 125 578 743**

1. Details of substantial holder (1)

Name **Tinfos AS, Holta Invest AS and Halvor H. Holta Holding AS**
ACN/ARSN (if applicable)

The holder became a substantial holder on 20 March 2008

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary fully paid shares	8,650,000	8,650,000	12.33%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Tinfos AS	Relevant interest arising pursuant to s 608(2) of the Corporations Act as a result of shares acquired under a Subscription Agreement dated 10 March 2008 (copy of the Subscription Agreement attached as Annexure A).	Ordinary fully paid shares, 8,650,000
Holta Invest AS and Halvor H. Holta Holding AS	Relevant interest under section 608(3) of the Corporations Act by reason of holding an interest in more than 20% in Tinfos AS	Same as Tinfos AS

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Tinfos AS	Tinfos AS	Tinfos AS	Ordinary fully paid shares , 8,650,000
Holta Invest AS and Halvor H. Holta Holding AS	Same as Tinfos AS	Same as Tinfos AS	Same as Tinfos AS

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Tinfos AS	20 March 2008	\$1,730,000		Ordinary fully paid shares 8,650,000

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

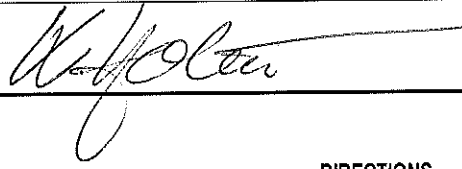
Name and ACN/ARSN (if applicable)	Nature of association

7. Addresses

The addresses of the persons named in this form are as follows:

Name	Address
Tinfos AS	Vollsveien 13H, PO Box 103 1325 Lysaker, Norway
Holta Investment AS	C/- Hoegh Capital Partners Services AS, PO Box 2146 – Solli, 0201 OSLO, Norway
Halvor H. Holta Holding AS	Jarveien 2B, 1358 – Jar, Norway

Signature

print name	KJETIL HOLTA	capacity	CHAIRMAN TINFOS AS
sign here		date	25/03/2008

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg, a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of the relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A

*This is Annexure A of 11 pages referred to in Form 603
Notice of Initial Substantial Holder*

**SPITFIRE RESOURCES LIMITED
ACN 125 578 743
(Company)**

and

**TINFOS AS
(Investor)**

SUBSCRIPTION AGREEMENT

THIS AGREEMENT is made the

10th day of March

2008

BETWEEN

SPITFIRE RESOURCES LIMITED (ACN 125 578 743) of Unit 8, 1st Floor, 232 Churchill Avenue, Subiaco, Western Australia (**Company**);

AND

TINFOS AS of Vollsveien 13H, PO Box 103 1325 Lysaker, Norway (**Investor**).

RECITALS

- A. The Investor has agreed to subscribe for the Subscription Shares at the Subscription Price and the Company has agreed to issue the Subscription Shares to the Investor.
- B. The Parties have agreed to enter into this Agreement to record the terms of the agreement described in Recital A.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Agreement:

Agreement means the agreement constituted by this document and includes the recitals.

Application Form means the share application form set out in the Schedule.

ASX means ASX Limited.

Business Day means a day on which banks are open for business in Perth, Western Australia, excluding a Saturday or a Sunday or a public holiday.

Corporations Act means the Corporations Act 2001 (Cth).

Encumbrance means an interest or power:

- (a) reserved in or over an interest in any asset including, but not limited to, any retention of title; or
- (b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to, any agreement to grant or create any of the above.

Listing Rules means the listing rules of ASX.

Party means a party to this Agreement and **Parties** means all of them.

Share means an ordinary fully paid share in the capital of the Company.



Subscription means the subscription by the Investor for the Subscription Shares to be subscribed for under this Agreement.

Subscription Date means 12 March 2008 or such later date as the Parties may otherwise agree in writing.

Subscription Price means \$0.20.

Subscription Shares means 8,650,000 Shares.

1.2 Interpretation

In this Agreement unless the context otherwise requires:

- (a) headings are for convenience only and do not affect its interpretation;
- (b) an obligation or liability assumed by, or a right conferred on, two or more Parties binds or benefits all of them jointly and each of them severally;
- (c) a reference to any party includes that party's executors, administrators, successors and permitted assigns, including any person taking by way of novation;
- (d) a reference to any document (including this Agreement) is to that document as varied, novated, ratified or replaced from time to time;
- (e) a reference to any statute or to any statutory provision includes any statutory modification or re-enactment of it or any statutory provision substituted for it, and all ordinances, by-laws, regulations, rules and statutory instruments (however described) issued under it;
- (f) words importing the singular include the plural (and vice versa) and words indicating a gender include every other gender;
- (g) reference to clauses, schedules, exhibits or annexures are references to clauses, schedules, exhibits and annexures to or of this Agreement and a reference to this Agreement includes any schedule, exhibit or annexure to this Agreement;
- (h) where a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning; and
- (i) a reference to **\$** or **dollar** is to Australian currency.

2. SUBSCRIPTION

2.1 Subscription and Issue

- (a) By execution of this Agreement, the Investor agrees to subscribe for the Subscription Shares at the Subscription Price.
- (b) Subject to payment of the Subscription Price in accordance with clause 2.2, the Company must, within 3 Business Days of the Subscription Date, allot and issue the Subscription Shares free from any Encumbrance and despatch holding statements in respect of such Shares to the Investor in accordance with applicable laws.

2.2 Payment of Subscription Price and allotment of Subscription Shares

On the Subscription Date:

- (a) the Investor must:
 - (i) deliver to the Company an application for the Subscription Shares, duly completed and executed by the Investor in the form set out in the Schedule; and
 - (ii) pay to the Company the Subscription Price in accordance with clause 3.
- (b) the Company must:
 - (i) allot to the Investor the Subscription Shares free from all Encumbrances on the basis that they rank equally in all respects, including in respect of any rights, with Shares on issue on the Subscription Date;
 - (ii) enter the name and address of the Investor in the register of members of the Company in respect of the Subscription Shares; and
 - (iii) issue a holding statement to the Investor for the Subscription Shares.

2.3 Quotation of Subscription Shares

- (a) The Company must use its best endeavours to ensure that the Subscription Shares issued under this Agreement are quoted on the securities exchange operated by the ASX within five Business Days of the allotment of the Subscription Shares.
- (b) The Company must use its best endeavours to ensure that its Shares continue to be quoted on the securities exchange operated by the ASX.

2.4 Cleansing Notice

The Company must lodge with ASX a cleansing notice in respect of the issue of Subscription Shares in accordance with Section 708A(5)(e) of the Corporations Act within five Business Days of the allotment of the Subscription Shares.

3. MANNER OF PAYMENTS

On the Subscription Date, the Investor must pay the Subscription Price in immediately available funds to the account with the following details:

Account Name:	Spitfire Resources Limited
Bank:	Commonwealth Bank
Branch:	432 Hay Street Subiaco Western Australia 6008
BSB:	066-125
Account:	1027 9563
Swift Code:	CTBAAU2S

or as otherwise directed by the Company.

Handwritten signature and initials, possibly 'RA' and 'DJ', in the bottom right corner of the page.

4. USE OF SUBSCRIPTION AMOUNT

The Company may only utilise the proceeds of the Subscription in the ordinary course of business. In particular, the Company must not expend the proceeds of the Subscription to provide an immediate benefit to the shareholders of the Company, including:

- (a) paying a special dividend;
- (b) performing a share buy-back; or
- (c) making a return of capital,

within two years after the Subscription Date without the prior written consent of the Investor.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties by the Company

- (a) The Company represents and warrants to the Investor that:
 - (i) **(Registration)**: it is a corporation as that expression is defined in the Corporations Act having limited liability, registered (or taken to be registered) and validly existing under the Corporations Act;
 - (ii) **(Authority)**: it has full power and authority to enter into this Agreement and to perform its obligations under it;
 - (iii) **(Corporate authorisations)**: it has taken all necessary action to authorise the execution, delivery and performance by it of this Agreement in accordance with its terms;
 - (iv) **(Binding obligations)**: this Agreement constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms;
 - (v) **(Allotment of Shares)**: it has full power and authority and has obtained all third party consents necessary to allot and issue the Subscription Shares;
 - (vi) **(Ranking)**: the Subscription Shares will rank pari passu with all other Shares then on issue;
 - (vii) **(Title to Subscription Shares)**: upon issue of the Subscription Shares, the Investor will acquire good and marketable title to the Subscription Shares, free and clear of any Encumbrance; and
 - (viii) **(Continuous Disclosure)**: the Company is in compliance with its continuous disclosure obligations under the Corporations Act and the Listing Rules and no limitation which is being withheld from disclosure pursuant to the exceptions listed in Listing Rule 3.1A is likely to have a material adverse effect on the price of values of the Shares.



- (b) The Company represents to the Investor that each of the warranties set out in this clause 5.1 is true and complete as at the date of this Agreement and as at the Subscription Date.
- (c) The Company indemnifies the Investor from any loss that may be incurred by the Investor as a result of any of the representations set out in this clause 5.1 not being true and complete when made.

5.2 Representations and warranties by Investor

- (a) The Investor represents and warrants to the Company that:
 - (i) **(Authority)**: it has full power and authority to enter into this Agreement and to perform its obligations under it;
 - (ii) **(Binding obligations)**: this Agreement constitutes its legal, valid and binding obligations and is enforceable in accordance with its terms; and
 - (iii) **(No breach)**: this Agreement and the Subscription does not conflict with or result in a breach of any obligation (including any statutory, contractual or fiduciary obligation) or constitute or result in any default under any provision of its constitution or any material provision of any agreement, deed, writ, order, injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound.
- (b) The Investor indemnifies the Company from any loss that may be incurred by the Company as a result of any of the representations set out in this clause 5.2 not being true and complete when made.

6. COSTS AND STAMP DUTY

6.1 Costs and expenses

The Company and the Investor agree to pay their own legal and other costs and expenses in connection with the negotiation, preparation, execution and completion of this Agreement, except for stamp duty.

6.2 Stamp duty

The Company agrees to pay all stamp duty (including fines and penalties) chargeable, payable or assessed in relation to this Agreement and the issue of the Subscription Shares to the Investor.

7. NOTICES

7.1 Requirements for Notice

Each notice authorised or required to be given to a Party shall be in writing and may be delivered personally or sent by properly addressed and prepaid mail or facsimile in each case addressed to the Party at its address set out in clause 7.2, or as the case may be to such other address as it may from time to time notify to the other Parties pursuant to this clause.



7.2 Address of Parties

The initial address of the Parties shall be as follows:

In the case of the Company:

Address: Unit 8
1st Floor
232 Churchill Avenue
Subiaco
Western Australia 6008

Attention: Russell Hardwick

Facsimile: +61 8 9382 4527

In the case of the Investor:

Address: Vollsveien 13H

PO Box 103 1325

Lysaker Norway

Attention: Nikolai Johns

Facsimile: +47 67 10 34 10

7.3 Change of Address

Each Party may from time to time change its address by giving notice pursuant to clause 7.1 to the other Party.

7.4 Receipt of Notice

Any notice given pursuant to clause 7.1 will be conclusively deemed to have been received:

- (a) in the case of personal delivery, on the actual day of delivery if delivered prior to 5 pm (Sydney time) on a Business Day or on the next following Business Day if delivered after 5 pm (Sydney time) on a Business Day or on a day other than a Business Day;
- (b) if sent by mail, on the second clear Business Day after the day of posting; or
- (c) if sent by facsimile, on the day the facsimile was sent by clear transmission.

8. MISCELLANEOUS

8.1 Variation

Variation of any term of this Agreement must be in writing and signed by the Parties.

Handwritten initials and signature in the bottom right corner of the page.

8.2 Waiver

- (a) Waiver of any right, power, authority discretion or remedy arising upon default under this Agreement must be in writing and signed by the Party granting the waiver.
- (b) A failure or delay in exercise, or partial exercise, of a right, power, authority, discretion or remedy created or arising upon default under this Agreement, does not result in a waiver of that right.
- (c) A Party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this Agreement or on a default under this Agreement as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A Party may not rely on any conduct of another Party as a defence to exercise of a right, power, authority, discretion or remedy by that other Party.

8.3 Further assurance

Each Party must do all things and execute all further documents necessary to give full effect to the transactions contemplated by this Agreement.

8.4 Governing law and jurisdiction

This Agreement is governed by the law in force in the place in Western Australia. Each Party submits to the non-exclusive jurisdiction of the courts of Western Australia.

8.5 Time of essence

Time is of the essence of this Agreement in respect of any date or period determined under this Agreement.

8.6 Entire Agreement

This Agreement constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

8.7 Counterparts

This Agreement may be executed in counterparts. All executed counterparts constitute one document.

Handwritten signature in black ink, appearing to be 'R.A. D.S.' with a flourish above the letters.

SCHEDULE – SHARE APPLICATION FORM

SHARE APPLICATION FORM
SPITFIRE RESOURCES LIMITED (Company)

ACN 125 578 743

TINFOS AS (**Investor**) hereby applies to the Company for 8,650,000 fully paid ordinary shares in the capital of the Company (**Shares**) at an issue price of \$0.20 per Share.

The Investor will transfer to the Company an amount of AUD\$ 1,730,000 to the account nominated by the Company.

Details of the Investor:

Name: Tinfos AS_____

Address: Vollsveien 13H, PO Box 103 1325 Lysaker Norway____

Contact Person: Nikolai Johns_____

Contact Number: [*]_____

By signing and lodging this Application Form with the Company, the Investor:

1. declares that the agreements, statements, declarations and acknowledgments contained in the following paragraph are given for the benefit of the Company;
2. declares that all details and statements made by the Investor in this Application Form are complete and accurate;
3. agrees to be bound by the Constitution of the Company;
4. represents, warrants and undertakes to the Company that the Investor has/have full right and authority to sign and lodge this Application Form, to subscribe for the Shares and to perform the other obligations set out in this Application Form, and has taken all action and obtained all regulatory and other consents, approvals and authorisations necessary in that respect;
5. acknowledges that the Investor has made its own enquiries concerning the Company and its business and affairs and that the Company makes no representation or warranties to the Investor other than set out in the Agreement accompanying this Application Form;
6. requests the Company to, upon receipt of this Application Form signed by the Investor, issue the Shares to the Investor;
7. declares that the Company is not required to provide to the Investor a prospectus or other disclosure document for the issue of the Shares because the Investor comes within one of the stated exceptions in Section 708 of the Corporations Act 2001;
8. acknowledges that this Application form is irrevocable;


9. acknowledges that returning this Application Form with the application monies will constitute the Investor's offer to subscribe for Shares and that no notice of acceptance of this Application Form will be provided; and
10. authorises the directors of the Company to complete or amend this Application Form where necessary to correct any errors or omissions.

NOTE: Return of the Application Form with your payment of the application monies will constitute your offer to subscribe for the Shares. This Application Form is for the Investor and must not be passed onto any person without written permission from the Company.

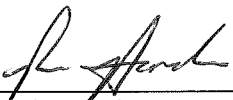


EXECUTED by the Parties as an Agreement.

EXECUTED BY)
SPITFIRE RESOURCES LIMITED)
ACN 125 578 743)
in accordance with the Corporations Act:)

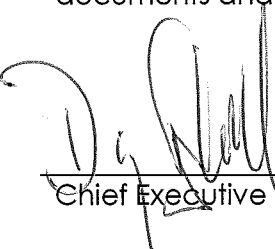


Director



Director/Secretary

EXECUTED BY)
TINFOS AS)
in accordance with its constituent)
documents and place of incorporation:)



Chief Executive Officer